

*Sewer System
Presentation
March 2014*



Mauldin
SOUTH CAROLINA

Objectives

- Why are we discussing a possible sewer rate increase?
- Review Regulatory Requirements
- Review Sewer System Work Plan
- Review Investment in our Sewer System
- Review Financial Model

Regulatory Requirements

- **EPA** – Program focused, Sewer System, Work Plan and related funding
- **DHEC** – Focus; No Sewer Overflows
- **ReWa Agreement**
 - Reduce Infiltration/Inflow Volumes
 - Reduce Surcharges by meeting Peaking Factors
 - Implement the 2007 Work Plan

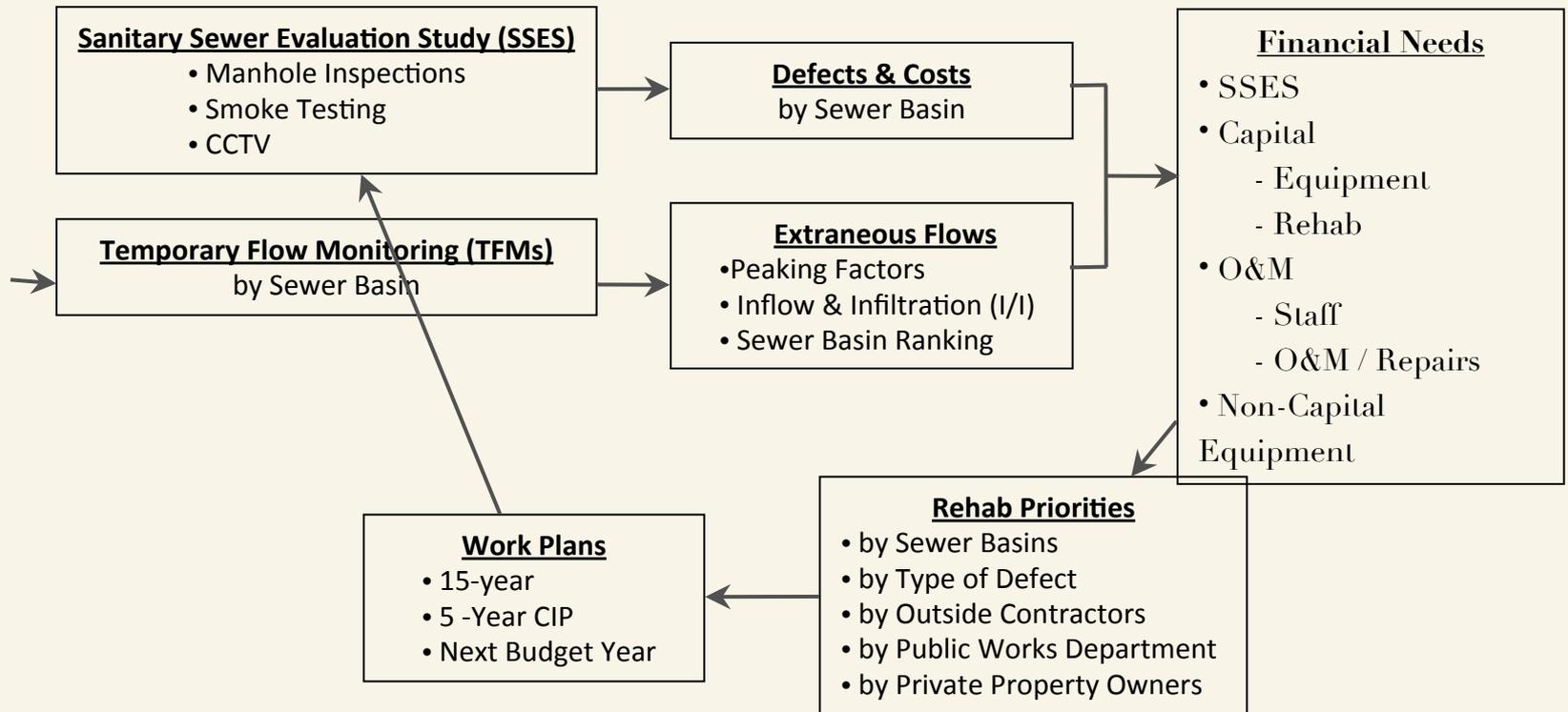
Work Plan

- Sewer System Work Plan
- Capital Improvement Program

City of Mauldin

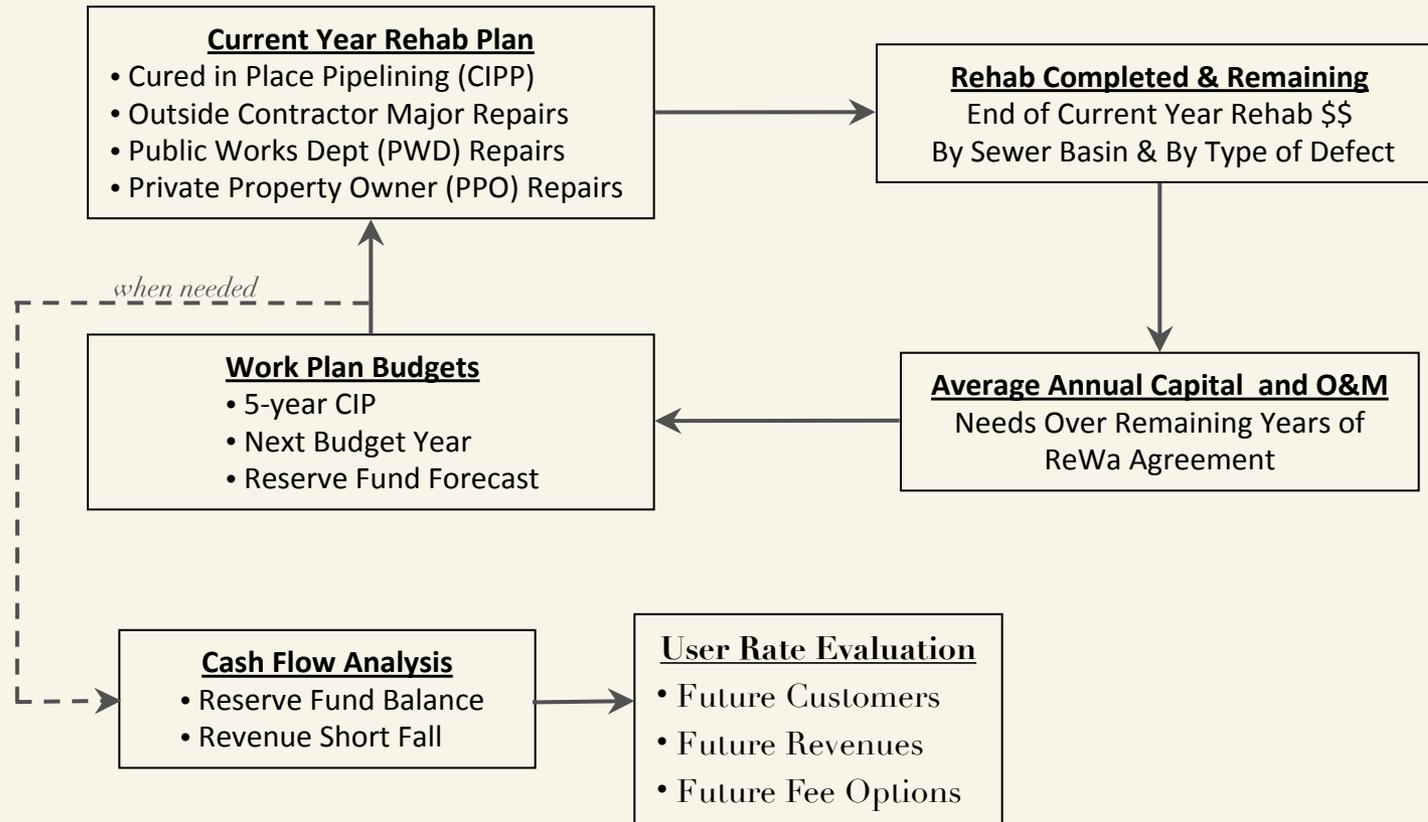
Sewer System Improvements

Work Plan Development



City of Mauldin

Capital Improvement Program (CIP)



Sewer System Investment

- Review 5 year Budgets
- Rehab, Equipment, Staff
- CIPP Footage

5 Year Budget History

SEWER FUND REVENUE & EXPENDITURES						
	2008	2009	2010	2011	2012	2013
	YEAR TO DATE	YEAR TO DATE	YEAR TO DATE	YEAR TO DATE	YEAR TO DATE	BUDGET
REVENUE:						
200-333-001-000 GRANT REVENUE	29,500.00		0.00			
200-361-001-000 INTEREST INCOME	25,529.76	14,004.06	5,550.29	4,275.10	3,372.12	1,500.00
200-382-001-000 SEWER MAINTENANCE FEE	629,182.88	608,155.24	612,310.72	600,969.05	635,940.35	557,628.00
TOTAL REVENUE	684,212.64	622,159.30	617,861.01	605,244.15	639,312.47	559,128.00
EXPENDITURE:						
TOTAL OPERATING EXPENDITURE	215,048.41	246,320.71	412,337.02	563,253.62	627,710.61	623,134.61
200-430-000-970 SEWER CAPITAL OUTLAY	181,315.24	31,394.00	72,121.64	66,854.20		37,000.00
200-430-001-652 SEWER SYS EVALUATIONS/PROF FEES	183,454.48	22,988.37	25,430.00	40,255.94	14,338.71	23,300.00
200-430-002-970 SEWER REPAIR / REHABILITATION	102,271.50	224,281.90	144,355.00	179,901.00	176,899.90	135,000.00
TOTAL CAPITAL AND MAINT EXPENDITURE	467,041.22	278,664.27	241,906.64	287,011.14	191,238.61	195,300.00
TOTAL EXPENDITURES	682,089.63	524,984.98	654,243.66	850,264.76	818,949.22	818,434.61
Addition/(Subtraction) from FB	2,123.01	97,174.32	-36,382.65	-245,020.61	-179,636.75	-259,306.61
Fund Balance	1,057,702.25	1,154,876.57	1,118,493.92	873,473.31	693,836.56	434,529.95

Greenville Water System Cost Increases

GWS Billing Cost

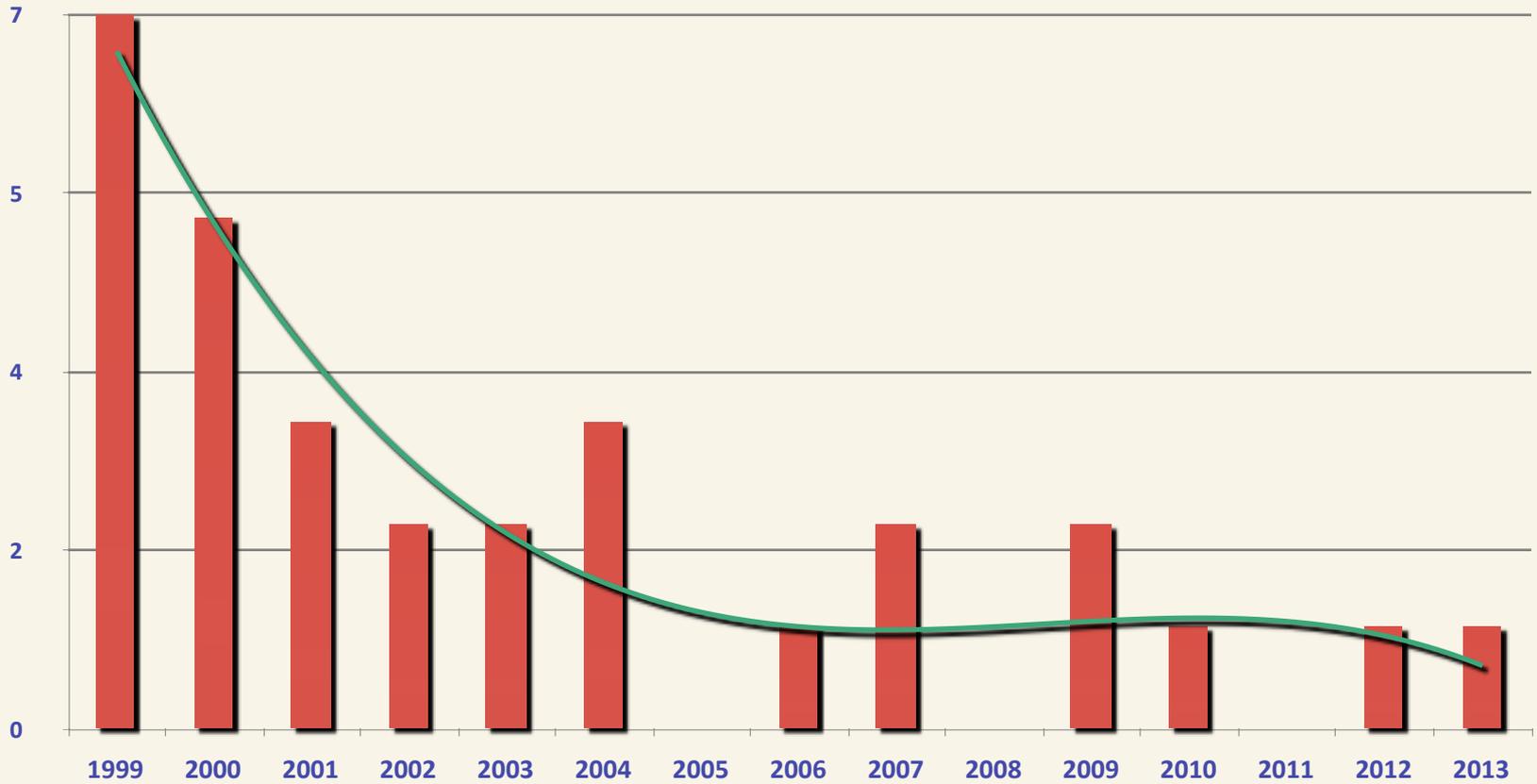
Prior to '05	05	07	10	12 *
0.50	0.85	1.15	1.77	2.70

*Cost per quarter

** Estimated FY'13 cost equals \$80,000

Results

- Overflow Reduction
- Flow Monitoring
- Infiltration Reduction



Based on July-June Fiscal Years

Peaking Factor Violations

<u>Year</u>	<u>PFM 70</u>	<u>PFM 71</u>	<u>PFM 59</u>	<u>Total</u>
2009	4	2	3	9
2010	4	1	1	6
2011	2	0	0	2
2012	1	0	0	1
2013	4	1	1	6
2014	4	0	0	4

Basins

70	Mauldin East - Gilder Creek
71	Mauldin West - W. Butler
59	Mauldin SW - Ashmore Bridge

I&I Volume Reduction (mg)

3 in. rain event

<u>Basin</u>	<u>2009</u>	<u>2013</u>	<u>Diff.</u>	<u>Percent</u>
59	1.8	1.2	0.6	33%
70	3.8	2.8	1	27%
71	1.4	1.0	0.4	29%
Total	7.0	5.0	2.0	29%

Financial Model

2013 Assessment of Rehab Needs

2015 Rehab Plan

Cash Flow Model Updated

10-YR. Financial Projections

Rehab Needs Assessment

System-wide Flow Monitoring in 15 basins

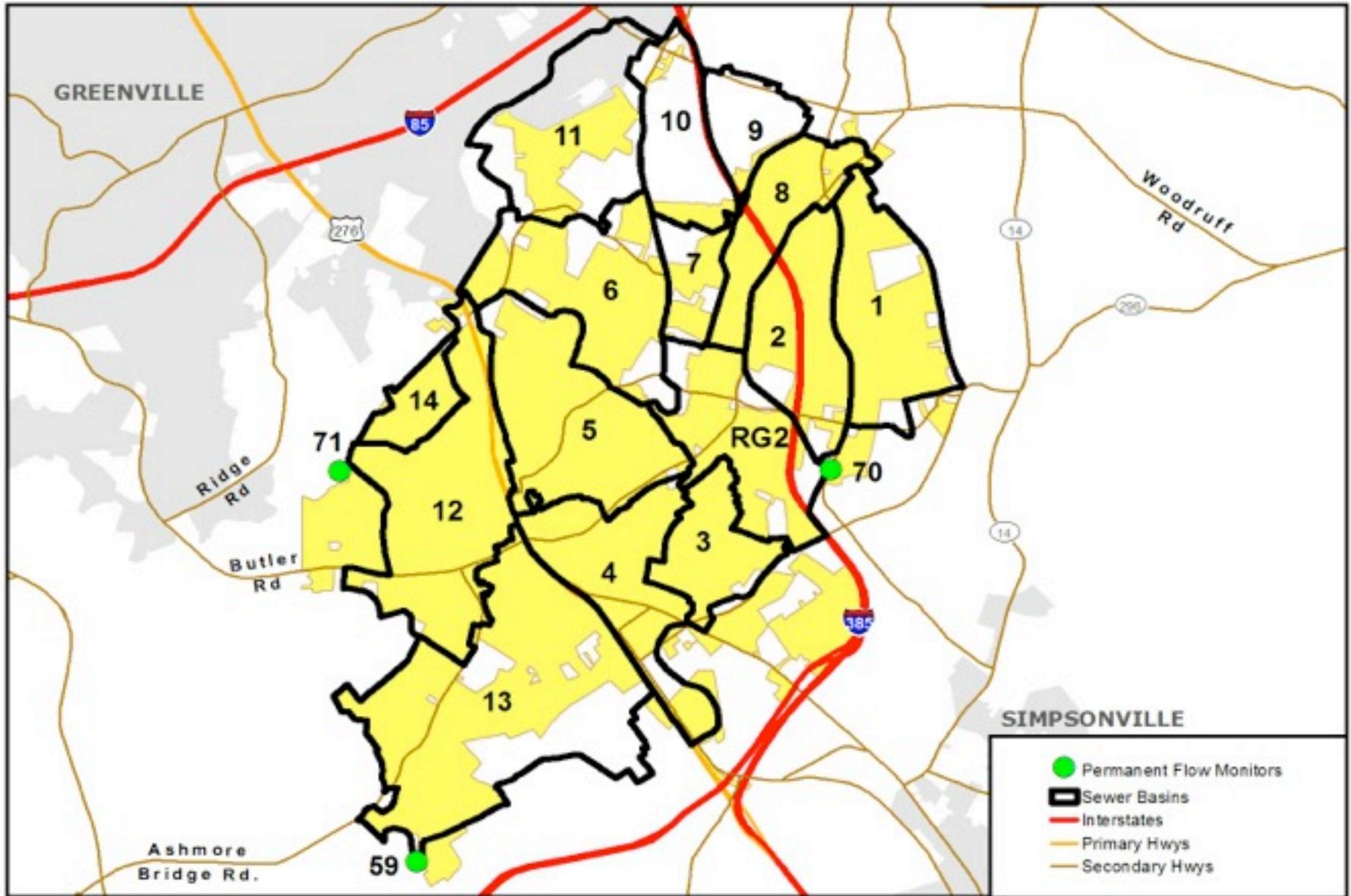
9 Basins were considered low priority

2 Basins are Priority 2

4 Priority 1 Basins had 70% of rehab defects

Cost to rehab Priority 1 basins is \$3.1 million

MAULDIN SEWER BASINS



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Rehab Plan

Use Bond Funds to fix 4 Priority 1 Basins

Use in-house resources for lower priority basins

Re-monitor Sewer flows in 2018

Cash Flow Model Update

Actual 2013 Expenditures

2014 Budget

Equipment and O&M Forecasts

Priority 1 Rehab Needs

Summary of Cash Flow Options

DESCRIPTIONS	ANNUAL FEE INCREASE (%) *					YEAR ENDING RESERVE FUND BALANCE				
	2015	2016	2017	2018	2022	YEAR 8 2015	YEAR 9 2016	YEAR 10 2017	YEAR 11 2018	YEAR 16 2023
2015 BUDGET No Increase	0%	0%	0%	0%	0%	\$ (88,639)	\$ (639,099)	\$ (1,204,920)	\$ (1,829,404)	\$ (5,031,427)
REVENUE BOND	63%	0%	0%	0%	0%	\$ 441,924	\$ 436,203	\$ 429,551	\$ 378,926	\$ 26,017

User Fee Rate Comparison

<u>Current</u>	<u>%</u>	<u>Increase</u>	<u>New Fee</u>	<u>2022 Fund Balance</u>	<u>2023 Fund Balance</u>	<u>Years of Positive Balance</u>	<u>Comments</u>
6.25	0%	0.00	6.25	(\$4,364,651)	(\$5,031,427)	-	No action
6.25	54%	3.38	9.63	\$ (379,512)	\$ (507,863)	-	June 2013
6.25	62%	3.88	10.13	\$ 39,079	\$ (33,303)	8.0	Rewa 2022
6.25	63%	3.94	10.19	\$ 91,403	\$ 26,017	9.5	10 Yr. Plan
6.25	64%	4.00	10.25	\$ 143,726	\$ 85,337	10.5	
6.25	65%	4.06	10.31	\$ 196,050	\$ 144,657	11.8	
6.25	66%	4.13	10.38	\$ 248,374	\$ 203,978	13.8	
6.25	67%	4.19	10.44	\$ 300,698	\$ 263,298	15.9	
6.25	68%	4.25	10.50	\$ 353,022	\$ 322,618	19.6	20 yr. Bond

COMPARISON OF MUNICIPAL SEWER USER FEES

Residential Fees per Month (5/8" & 3/4" meters)

<u>ENTITY</u>	<u>2003</u>	<u>2004</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Mauldin	2.50	6.25	6.25	10.19	10.19	10.19	10.19
Simpsonville	2.75	7.17	15.41	15.41	15.41	15.41	15.41
Fountain Inn	-	7.5	16.35	17.60	18.50	19.45	20.40
Greenville	6.25	6.65	9.58	10.06	10.56	11.09	11.64

Schedule

- February 17 - Discussion on Sewer Rate Increase
- March 4- Council Sewer Workshop
- March 4 - Public Works Committee Meeting
- March 4 - Public Meeting
- March 17 – Consider Sewer Rate Increase
- April 21 - Consider First Reading on Bond

Future

- Reduce investment or enhance revenues in our sewer system